

## Message Text

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73

ACTION PM-04

INFO OCT-01 EUR-12 NEA-10 ISO-00 NSC-05 SP-02 SS-15

CIAE-00 INR-07 NSAE-00 L-03 ACDA-05 MC-02 IGA-02

OMB-01 /069 W

----- 072861

R 011246Z MAR 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 4812

INFO SECDEF WASHDC//ISA//

USCINCEUR//ECJ4/7//

DA WASHDC//DALO-LLM//

CDR DARCOM ALEX VA//DRSIL//

CDR MICOM RSA AL//DRCPM-KMS//

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY LONDON

C O N F I D E N T I A L KUWAIT 1026

E.O. 11652: GDS

TAGS: MASS, KU

SUBJECT: MINISTRY OF DEFENSE BUDGET PROBLEMS - KUWAIT

REF: KUWAIT 0846 (181450Z FEB 76)

1. ON MARCH 1, I DISCUSSED WITH BRITISH AMBASSADOR LAMB BUDGETARY PROBLEMS OF GOK MINISTRY OF DEFENSE. LATTER PREVIOUSLY HAD EXPRESSED CONCERN RE IMPACT PROBLEM ON PURCHASES BRITISH MILITARY EQUIPMENT. (NOTE: BUDGET PROBLEM CONCERNS NEW OBLIGATIONAL AUTHORITY ONLY - NOT PAYMENTS ON CONSUMATED AGREEMENTS.)

2. I TOLD AMBASSADOR LAMB THAT WE HAD BEEN UNABLE TO UNCOVER ANY CONFIRMING EVIDENCE THE MOD SUPPLEMENTARY BUDGET FOR ARMS PROCUREMENT HAD BEEN SENT TO NATIONAL ASSEMBLY AS REPORTED TO US BY CHIEF OF GENERAL STAFF (MUBARAK) IN MID-FEBRUARY. WE ALSO UNABLE TO LEARN WHETHER SUBJECT HAD BEEN DISCUSSED WITH  
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MINISTRY OF FINANCE OFFICIALS. I ASKED AMBASSADOR WHETHER HE

HAD INFORMATION AND HOW CURRENT FUNDS SHORTFALL WOULD AFFECT  
BRITISH SALES.

3. LAMB SAID HE HAD DISCUSSED MATTER WITH GENERAL MUBARAK LAST  
WEEK FOLLOWING FAILURE TO OBTAIN APPOINTMENT WITH DEFENSE MINISTER.  
MUBARAK TOLD HIM THAT NO FUNDS PRESENTLY ARE AVAILABLE TO MOD.  
MINISTRY CURRENTLY HAS UNDER PREPARATION RPT PREPARATION THREE  
BUDGETS FOR SUBMISSION TO NATIONAL ASSEMBLY. FIRST WOULD PROVIDE  
FOR USUAL OPERATING EXPENSES FOR NEXT FISCAL YEAR. SECOND WAS TO  
IMPLEMENT NATIONAL CONSCRIPTION, INCLUDING NECESSARY ADDITIONAL  
"FACILITIES." THIRD WOULD SEEK ADDITIONAL FUNDS FOR ARMS PROCURE-  
MENT. MUBARAK PROVIDED NO FIGURES FOR FIRST TWO BUDGETS, BUT  
SAID HE HAD RECOMMENDED THAT KD 600 MILLION (APPROX. US\$2  
BILLION) BE SOUGHT FOR ARMS PROCUREMENT. AMBASSADOR LAMB  
GAINED DISTINCT IMPRESSION FROM MUBARAK THAT THREE BUDGETS  
WOULD BE REFERRED TO NATIONAL ASSEMBLY IN USUAL MANNER AND  
THAT ASSEMBLY ACTION NOT LIKELY BEFORE LATE MAY OR EARLY JUNE.  
HE AGREED THAT GOK MIGHT SEEK SEPARATE AND EARLIER CONSIDERATION  
OF ARMS PROCUREMENT BUDGET BUT SAID HE HAD NO REASON TO BELIEVE  
THAT IS CURRENT GOVERNMENT INTENTION.

4. ACCORDING TO LAMB, MOD LACK OF OBLIGATIONAL AUTHORITY WILL NOT  
AFFECT CHIEFTAIN TANK PROGRAM, BUT DEFINITELY WILL DELAY FORWARD  
MOVEMENT ON NAVAL BASE CONSTRUCTION AND HOVERCRAFT PURCHASE. HE  
ALREADY HAD RECOMMENDED TO BRITISH COMPANIES INTERESTED IN THESE  
TWO AREAS THAT THEY "COME BACK NEXT FALL." HE CONFIRMED THAT GOK  
HAD OBTAINED SERVICES OF PAKISTANI NAVY COMMODORE AND TWO  
CAPTAINS TO OVERSEE NAVAL PROGRAM.

5. MUBARAK HAS POSSIBLY MISLED US ON TIMING MOD REQUEST FOR  
ADDITIONAL ARMS PROCUREMENT FUNDS, WHICH HE DEFINITELY SAID HAD  
BEEN APPROVED BY COUNCIL OF MINISTERS AND REFERRED TO APPROPRIATE  
COMMITTEE NATIONAL ASSEMBLY. WHILE WE STILL BELIEVE THIS POSSIBLE,  
STATEMENT BY MUBARAK TO BRITISH AMBASSADOR SUGGESTS OTHERWISE.  
COX SEEKING APPOINTMENT WITH UNDERSECRETARY LATER THIS WEEK AND  
WILL ATTEMPT TO OBTAIN MORE DEFINITIVE INFORMATION. MEANWHILE, I  
SENT LETTER TO MINDEF FEB 11 REMINDING HIM THAT CONTINUED FAILURE  
TO SIGN IHAWK CASES WOULD CAUSE MAJOR DELAYS AND COST ESCALATIONS.

6. AS FAR AS AMBASSADOR LAMB AND I KNOW, MINISTER OF DEFENSE  
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HAS RECEIVED ONLY FRG CHARGE AND SOVIET AMBASSADOR SINCE RETURN  
FROM LONDON IN EARLY FEBRUARY TO DISCUSS ARMS PURCHASES. FORMER  
HAS TOLD ME HE CONVEYED TO MINISTER INTENTION OF HIS GOVERNMENT NOT  
RPT NOT SELL ARMORED CARS TO GOK. (HE CONFIDED THAT SAME  
MESSAGE BEING SENT TO SAUDIS.) SOVIET AMBASSADOR SAID HIS MEETING  
"ROUTINE", BUT CONFIRMED THAT MINISTER WILL VISIT SOVIET UNION  
AT AN EARLY TIME.  
MAU

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS, MILITARY SALES, SUPPLEMENTAL APPROPRIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976KUWAIT01026  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760077-0925  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1976/newtext/t197603108/aaaadrmb.tel  
**Line Count:** 115  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION PM  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 KUWAIT 846  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 MAY 2004  
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**To:** STATE  
**Type:** TE  
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